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JPRS L/10393

16 March 1982

Sub-Saharan Africa Report

(FOUO No. 766)



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SUB-SAHARAN AFRICA REPORT

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INTER-AFRICAN AFFAIRS

UDEAC SUMMIT CONCLUDES, PROBLEMS REMAIN

Paris JEUNE AFRIQUE in French No 1096, 6 Jan 82 pp 54-55

[Article by Siradiou Diallo: "A Common Market Not Possible?"]

[Text] Having stayed away from the Union for the last 13 years, Chad returns to the fold. But the problems remain the same after the summit meeting in Libreville.

It is henceforth traditional that Christmas eve in Central Africa brings the annual summit meeting of the Customs and Economic Union of Central Africa (UDEAC). The year 1981 was no exception to the rule. By virtue of the rule of alternating, this year it was the turn of Libreville (Gabon) to host from 17-19 December the 17th summit of this sub-regional organization whose members include Cameroon, Central African Republic, Congo, and Gabon.

It was at once apparent, however, that the Libreville meetings were going to stray from the beaten path, and that a truly new orientation was in the offing; not because of any topics included on the agenda, since, as usual, they had to do mainly with technical issues: the harmonizing taxation and statistical data, the improvement of communications, the creation of a school of broadcast engineering in Libreville, etc.

At first glance, the new direction could be ascertained from the number and rank of the observers sent to attend this summit: seven nations (Angola, Equatorial Guinea, Sao Tome and Principe, Rwanda, Chad, Zaire, and Burundi), the first six of which were represented by their heads of state. A list of dignitaries to which it is fitting to add the secretary general of the Organization for African Unity, Edem Kodjo, and the executive secretary of the African Economic Commission, Abeyayo Adedeji.

It soon became clear that not all had traveled to Libreville to do sightseeing or to remain passive. Thus it was that Chad, which had definitively walked of the UDEAC 13 years ago, announced through its spokesperson, Goukouni Weddeye, that it intended to return to the fold--before the next Yaounde summit; since, as the president of the Transitional National Union Government (GUNT) was to point out, "We do not wish to return here merely as observers." It is true that in spite of their internal problems the leaders from N'Djamena do not intend to reclaim their seat in the Union unless certain problems are solved beforehand, the very problems

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that had originally caused them to walk out: notably, the fact that the three coastal states of Cameroon, Congo, and Gabon refused to grant a real and consistent compensation to the two inland and thereby less industrialized states of Chad and the Central African Republic.

There is reason to believe that, with time, Chad's wishes will be granted. At any rate, there is no lack of willingness to bring about solutions acceptable to all parties. The concerned ministers have taken over the case. With the help of experts, they can scarcely avoid finding solutions either concerning better operational procedures for the Solidarity Fund, or adjustments in the single-tax system, or modifications of the investment code. For Chad, as well as for the Central African Republic for that matter, it means making sure that UDEAC benefits more than just the coastal nations and that in the future there will be a more equitable distribution of advantages coming out of the integration efforts.

Of the seven observers present in Libreville, only Chad had come with the firm intention of again making UDEAC an instrument for subregional cooperation. The other six were intent on going beyond that framework, even on expanding it to include the entire region. In the manner of the Economic Community of West African States (ECOWAS), which brings together West African countries regardless of political or linguistic differences, what needs to be done is to build an equivalent organization in Central Africa. And, concerning this subject, the Libreville summit seems to have taken a decisive step forward, since the declaration signed by the 11 participants is unambiguous. It makes a solemn commitment to implement whatever is necessary to institute an Economic Community of Central African States.

A similar perspective to what was included in the Lagos plan of action (April, 1980) would endow Central Africa with a market of some 60 million consumers, which, given the small size of the states and even of the entire UDEAC which has a population of only 12 million, would be a more efficient setup. The Community would allow a better development of the region's natural resources, while facilitating optimal industrial production and better-planned development of transportation.

This point has not as yet been reached. UDEAC has not succeeded, 17 years after its creation, in promoting a true economic union. Aside from petroleum products and cement, the trade volume within the region has increased only modestly. Trade between member countries accounts for only about 5 percent of the Union's total exports. Numerous studies have been done and proposals made with an eye to distributing industries over the different countries. Under such plans, Cameroon would specialize in bauxite and aluminum, Gabon in petrochemicals and cement, Congo in chemicals, and the Central African Republic in pharmaceuticals and clock-making. But not one of these multinational projects has as yet been realized. Similarly, in the field of transportation, a plan had been drawn up to build connecting roads in order to tie all the member countries into the Lagos-Mombasa Trans-African Road whose projected route goes through Bangui. A railway from Bangui to the Atlantic, to be tied into the Trans-Gabonese, was declared to be a high-priority cooperative project. And the creation of a multinational freight and coastal navigation company was proposed. But in these cases as well, all these plans remain slumbering in the files of administrations.

To overcome the hurdles erected by lack of funds, an institution, the Development Bank of the Central African States (BDEAC), was founded. Its headquarters are

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located in Brazzaville. But heretofore it has been able to play only a marginal role in creating cooperative projects. Thus it is that from 1978 to 1981 the total value of the projects which it financed comes out to only 5.47 billion CFA francs, as compared to investment budgets which for 1980 alone add up to 57 billion CFA francs for Cameroon, 71 billion for Congo, and 5.5 billion for the Central African Republic.

Under these conditions, objections will be made, how can UDEAC, itself, unable to get going in spite of the many affinities which unite its members, claim to be able to motivate a larger and thereby more heterogeneous community? In the opinion of the experts of the Economic Commission for Africa (ECA), extending cooperation to all the states in the region is perfectly feasible. In order to do this, they recommend taking the initial step of restructuring UDEAC and beginning negotiations between the organization and the various countries. These negotiations, having to do with joint projects, should strengthen the production capacities of each and allow a fairer distribution of the benefits of integration.

Zaire is already weaving close ties with most of UDEAC's members. And the Chamber for Compensation and Payments of Central Africa, created recently, can only further exchanges between these countries. As long as there exists a true political will, the management will fall in line. And Central Africa, having enormous natural resources at its disposal, will in the years to come be able to live up to the expectations of the Lagos plan of action whose implementation will be setting forth the conditions for the development of the continent.

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ANGOLA

SAVIMBI TIES, VISIT TO MOROCCO ATTACKED

Paris AFRIQUE-ASIE in French No 258, 1 Feb 82 p 19

[Unattributed article: "The Savimbi Show in Rabat"]

[Text] The flower of what Portugal has in the way of reactionary journalists was invited to Rabat, in mid-January, for a press conference on...Angola. On the show program Jonas Savimbi in person. The correspondent of a Lisbon rightist weekly, TEMPO, was there, with as a bonus, the promise of an exclusive interview with the Angolan traitor. As promised and due, it did take place, but 3 days later than planned, Pretoria's puppet having shut himself in for a lengthy meeting alone with Hassan II in the royal palace at Marrakesh.

"His Majesty," explained a UNITA spokesman to the TEMPO journalist, "never lets slip an opportunity to listen at length to Savimbi discoursing on international politics, especially African problems."

It is a fact that the honeymoon is on between Hassan and Savimbi, who was received in the Moroccan capital with full honors: armored Oldsmobile, luxurious suite at the Rabat Chellah...at the king's expense, the journalist specified. And he added that to make up for the wait, Savimbi suggested taking him back to Lisbon himself, in his private jet.

Fearless of ridicule, TEMPO quotes the Angolan traitor's remarks about the reasons purportedly motivating Morocco's support of UNITA: Hassan II hopes that with Savimbi in power, Angola would enjoy...greater religious freedom, which would allow Islam to spread in that country(sic)....

The fact that Morocco should be the last country in Africa still granting direct and open aid to UNITA - especially after the defection of Senegal, which is now normalizing relations with Angola - cannot come as a surprise when one is aware of the strengthening of ties between Rabat and Washington, vital ties for the sharifian regime. It is of course on Washington indeed that Hassan II is counting for military assistance, the only means of preventing collapse in the Sahara.

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In the palace at Marrakesh, the two men must have been rejoicing in unison over Washington's increased aggressiveness in the defense of imperialist interests in Africa. After the defeat of Giscard in France, all their hopes had been concentrated on the White House. Declaring himself fully satisfied with the results of his recent visit to Washington, Savimbi did, however, regret that the Clark amendment had not yet been abolished....

On the other hand, he clearly showed his displeasure with the attitude of the Portuguese government, in which he nevertheless has many friends. Portugal has not officially taken any steps in his favor, and that is primarily because of President Eanes' stubbornness. The Angolan bandit's blackmail, in threatening to kill the Portuguese prisoners -- civilians captured by the Kwachas in the South -- did indeed not succeed in modifying General Eanes' attitude.

Hence the charm campaign before the Portuguese journalists in Rabat, to whom he announced the unconditional release of the 28 prisoners. Once again, an unsuccessful maneuver, since the Portuguese president has just declared false the news that there had been a meeting between UNITA and representatives of the government in Luanda under the auspices of the Portuguese authorities. No meeting of the sort will take place, as Eanes well knows, and he seems to share Luanda's views in asserting to his entourage that the Angolan problem is not one of "national reconciliation." Indeed, the American campaign cannot mislead this man, who knows perfectly well who Savimbi was even before he threw himself body and soul in with the South African racists. He knows in detail the personal history of the man who used to work for the fascist Portuguese colonial army, against the MPLA's Angolan nationalists -- and that many years before 25 April.

In June 1974, AFRIQUE-ASIE published as a worldwide exclusive, selections from the vast correspondence between the traitor Savimbi and the fascist authorities, including Caetano himself. Edifying selections, which definitively put the finishing touches on Savimbi's portrait and his role in the national liberation struggle.

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ANGOLA

BRIEFS

PRODUCTION OF CONSTRUCTION MATERIALS--Production in Angola's construction materials industry improved during 1981 compared to the previous year but only 48 percent of the installed capacity was used. Aguiar Martino, deputy minister of construction, said recently that the main concern of his department was to make the plants as profitable as possible and to introduce the required technology which will help to meet the needs of the country. Also production difficulties are often the result of frequent electrical power outages and this is particularly true of cement production. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1888, 15 Jan 82 p 159] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

PHOSPHATE MINING COMPLEX--The mining complex of Kindonacoxa, in the Province of Zaire, was inaugurated last 11 November as part of the celebrations to mark the 6th anniversary of independence. The complex was created as part of a cooperation agreement signed with Bulgaria. It has capacity to produce 15,000 tons of ground phosphates a year; the complex consists of a strip mine, a treatment plant and infrastructures comprising a repair shop, a diesel power plant, tanks to store gasoline and lubricants and a building for offices and living accommodations. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1888, 15 Jan 82 p 159] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

ANGONAVE ACTIVITY--The Angolan national shipping company ANGONAVE has recently decided to expand its regular service between the northern continent and Angola by calling on French ports. It should be noted that ANGONAVE operates a regular service between the five Angolan ports of Cabinda, Soyo, Luanda, Lobito and Mocamedes transporting ordinary and container freight. At the end of October, a first vessel, the Ludonge, was assigned to serve the French ports (they will be two ports on the Atlantic and North Sea coasts) which are scheduled to be chosen later. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1888, 15 Jan 82 p 159] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

BENGUELA MEAT SHORTAGE--The Benguela Province needs at least 185 tons of meat per month. But the DINAPROPE [National Cattle Products Distributing Company], a specialized company for marketing and supply, could only provide 500 tons during the first 8 months of 1981. The drought and a scarcity of the barter goods wanted by the stockbreeders (mostly light motorcycles, radios and bicycles) are the reason for the gap between needs and supplies. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1888, 15 Jan 82 p 159] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

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CAPE VERDE

BRIEFS

SWEDISH AID--Official sources said on 13 January in Praia that, during the 1982-83 period, Swedish aid to Cape Verde will amount to approximately 40 million kronor (same amount in French francs). Cooperation between these two countries started in 1975 when urgent aid was granted to help the newly independent Cape Verde deal with a difficult situation. Between 1979 and 1981, Sweden provided 140 million kronor to Cape Verde in the form of bilateral aid. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 196] [COPYRIGHT: Rene Moreux et Cie Paris 1982.] 8796

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GHANA

POST-COUP CLIMATE OF FEAR, UNCERTAINTY NOTED

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 200

[Text] For Captain Rawlings and his team, the Provisional National Defense Council, taking over the destiny of Ghana is once more proving to be a difficult task.

Early this week, only 7 out of the intended 11 members of the council had been appointed and the government, which that council is supposed to sponsor, was yet to be formed.

According to some sources, more and more questions are being raised in the West concerning the role that Libya may have played in the coup and that country's influence over the new leaders.

Also, according to some eyewitness accounts, the recent events caused more bloodshed than it was originally reported and several hundreds of people are said to have been killed. The figure of 700 casualties was even mentioned. More executions are said to have been carried out in a more or less summary fashion by a badly controlled army and by people's tribunals.

In the economic sphere, the situation is taking a turn for the worse. The chief of staff, who is in charge of defense within the council, admits that the situation is "very bad" and even thinks that the measures adopted regarding banking, mainly curtailing cash withdrawals and freezing some accounts, have had disastrous consequences for business and for companies. Imposing price controls which are difficult to enforce has already had the same effect as in 1979 of making consumer goods even more scarce. As for mobilizing young people and students to transport the cocoa crop from the fields, it could become an ineffectual operation due to the lack of means and to the very bad condition of the roads.

In any case, Ghana is now living in a state of uncertainty and even in a climate of fear which gives ground for the neighboring countries to worry about their own future. Libya is said to have supplied the Ghanaian Army with allegedly defensive weapons to forestall a foreign aggression.

Meanwhile, Captain Rawlings, who was very much in the limelight after his first coup d'etat, has hardly appeared in public since the last one and this attitude

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of relative self-effacement also gives rise to questioning. The boisterous demonstrations of support for the young officer made by some sectors of the population could have been partly orchestrated. Certainly, not everybody is pleased with the return of the military even if, this time, they are trying to surround themselves with civilians. For instance, the group formed by the associations of lawyers, doctors and engineers which had worked hard to establish a civilian regime recently called for that regime to be restored as soon as possible. Will Captain Rawlings heed their request? One can hope that he will do so but, for the time being, it is hard to see when and how.

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GUINEA BISSAU

BRIEFS

RELATIONS WITH PORTUGAL NORMALIZED--The heads of state of Portugal and Guinea Bissau, Gen Antonio Ramalho Eanes and Gen Bernardo Vieira, will hold talks shortly either in Bissau or in Lisbon. This meeting, taking place at the initiative of the African head of state, will be the first between the two presidents since the Guinea Bissau coup d'etat of 14 November 1980. Since General Vieira came to power, high level contacts between Portugal and its former colony have been practically broken off. The release, on last 30 December, of former President Luis Cabral who had been under house arrest since the coup and on whose behalf General Eanes had interceded, has removed the last obstacle to a normalization of relations between the two countries. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 196] [COPYRIGHT: Rene Moreux et Cie Paris 1982,] 8796

FOREIGN TRADE IN 1981--According to the latest report issued by the Ministry of Commerce, during the first 6 months of 1981, exports from Guinea Bissau totaled 279.3 million pesos (Fr 43 million) while its imports represented 1,016 billion pesos (Fr 155 million). Sea food tops the list of exports with 133.2 million pesos followed by agricultural products (94.3 million), industrial goods (31.1 million) and timber (19.4 million). Spain was Guinea Bissau's main customer followed by Senegal for Africa and China for Asia. In the chapter on imports, foodstuffs are at the top of the list for the first 6 months of 1981, followed by manufactured goods. Portugal was Guinea Bissau's main supplier ahead of Sweden. Senegal heads the list of suppliers from Africa, China from Asia and the United States from America. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 196] [COPYRIGHT: Rene Moreux et Cie Paris 1982,] 8796

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IVORY COAST

ADDITIONAL PORT FACILITIES OPENED TO PETROLEUM OPERATORS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 12 Feb 82 p 390

[Excerpts] On 29 January, Maritime Affairs Minister Fadika Lamine presided at the inauguration of an offshore base for petroleum operators. The contractor, Socopao CI [not expanded], has leased from the port about 4 ha on which, in addition to its garage and ship repair slips, it is constructing: a metal, timber-lined pier of 100 m, to be extended to a length of 150 m, draught 7 m, and load capacity 6 tons per cubic meter; clearing behind the pier an area for pipe racks storage; constructing warehouses and offices for the operators and their subcontractors, providing storage for drilling materials (mud, barite, bentonite, etc); building a heliport for liaison with platforms.

The minister and the port recently granted Socopao an additional 3 ha for building rear base sheds for subcontractors, who already have facilities for mooring auxiliary ships, tending them for servicing the fresh-water platforms, 25-50 ton cranes for loading, etc.

The base, which operators consider provides first-rate services, is opened to all companies interested in petroleum research in Ivory Coast, for as long as desired. For example, Phillips, which built its own base, regularly uses the Socopao base for facilitating the work of its supply-boats.

The installation can accommodate simultaneously, 6 auxiliary ships and provide a storage area of 5 ha and 7,500 m² of warehouse space. The cost of Socopao CI's investment is about 1.1 billion CFA francs.

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MOZAMBIQUE

BRIEFS

WHEAT SELF-SUFFICIENCY ENVISIONED--Mozambique is planting experimental wheat crops sponsored by the FAO. Yields of 3 tons per hectare have been obtained despite the fact that not all cultivation rules were strictly observed. Some 50 tons of the Helena European variety were planted in the regions of Moamba, Xai-Xai, Venduzi, Angonia and Matama. Other varieties, probably Mexican ones, could be tried out; they are said to be better suited to the country's ecological conditions. Based on these experiments, 10 years from now, Mozambique hopes to be able to produce about 150,000 tons of wheat per year which is what it requires to satisfy its needs. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 215] [COPYRIGHT: Rene Moreux et Cie Paris 1982.] 8796

PUBLIC WORKS PROJECTS--The Tamega Construction Company is doing construction work costing more than 1 million contos in the Mozambique Provinces of Maputo, Gaza, Nampula and Cabo Delgado. Some of these projects are: lengthening the main runway at Mavalane International Airport in Maputo, building an irrigation system in Gaza, building a plant for the TEXMOQUE [Textiles of Mozambique] company in Nampula, building a road between Diaca and Oasse and other roadworks (in Maputo, the Julius Nyerere Avenue and the access to Ponta do Ouro; repair work on the Mapapa-Chokwe road and on the Chicumbane-Xai Xai road). [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 215] [COPYRIGHT: Rene Moreux et Cie Paris 1982.] 8796

CONSTRUCTION DIFFICULTIES--The Constructora Integral de Nampula (CINAP), a Mozambique building and public works company which employs 1,800 people, will not be able to meet its production targets for 1981. During the first 9 months of the year, many construction jobs were not completed on schedule because the company failed to receive in time some of the imported fittings it required or the blueprints for some of the jobs it was assigned to do. The company was working at 40 building sites which included housing accommodation in teachers' training centers; a development of 40 houses in Nampula; substations for the powerline of Nacala, Monapo and Nampula; maintenance work on 1,900 kms of roads (out of the 3,800 kms required to transport farm products) some of which had not been repaired since 1975. In 1982, the work schedule of CINAP will be lighter and more realistic; road maintenance work, among other things, will be assigned to a special department of the Ministry of Public Works and Housing. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 215] [COPYRIGHT: Rene Moreux et Cie Paris 1982.] 8796

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CAMERA SURVEILLANCE SYSTEM PLANNED--The Ministry of Security of the People's Republic of Mozambique plans to purchase and install very shortly a system of microwave cameras in the country's major towns. The purpose of this system is to keep certain public areas (squares, streets and so on) under surveillance and, therefore, the system will be connected to a television central post. The cameras will be equipped with a sound recording system. The Ministry of Security also wants a video recording system with multiple display so the picture can be slowed down and stopped. Finally, it would like to obtain all technical details on how to operate the suggested equipment. Firms who may be interested are invited to give their names to the CFCE [Council of Commercial Federations of Europe] (Tel 505-33-22, Mrs Debien) and, also contact the commercial attache of the French Embassy. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1889, 22 Jan 82 p 215] [COPYRIGHT: Rene Moreux et Cie Paris 1982.] 8796

NATIONAL PLAN FOR 1982--A 24.5 percent increase in industrial production is one of the targets set by the 1982 annual national plan recently adopted by the Mozambique Assembly. The plan, enacted on 1 January, also envisages a 36 percent rate of growth in the agricultural sector and emphasizes the development of transportation with, among other things, a 25 percent expansion in rail transportation and 60 percent in sea transportation. In the education sphere, the authorities are hoping to teach a total of between 400,000 and 600,000 people (the population of Mozambique is estimated to be 10 million inhabitants) to read and write and to provide them with an education. [Text] [Paris MARCHES TROPICAUX ET MEDITERRANEENS in French No 1888, 15 Jan 82 p 159] [COPYRIGHT: Rene Moreux et Cie Paris 1982] 8796

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SENEGAMBIA

PARTISAN, COMPARTMENTALIZED NATURE OF PRESS NOTED

Paris JEUNE AFRIQUE in French No 1096, 6 Jan 82 p 11

[Text] Bara Diouf, director general of the Senegalese national daily LE SOLEIL, complains that his newspaper seems to have reached its circulation ceiling. Up to a point, it is a victim of democracy. The Senegalese press offers a rich abundance of publications which, unfortunately, cannot be listed in any serious survey because irregularity is the rule with regard to periodicals, with the only exceptions being LE SOLEIL, ZONE 2 (a weekly sports magazine) and AFRIQUE NOUVELLE (a weekly devoted to west Africa).

Apart from a few publications such as AFRIQUE NOUVELLE, AFRIQUE TRIBUNE and LE POLITICIEN, this press is partisan and compartmentalized into as many political parties as can be found in Senegal. There is a historical reason for this situation which is common to all of Africa. Under colonial rule, newspapers (often clandestine) were often the only vehicle for political ideas. When independence came, most of the countries were ruled by single parties which, to establish their authority, monopolized the right to speak. This was never the case in Senegal, proof of it being that the opposition parties which were not recognized--and were, therefore, underground parties--until 1981, were still able to develop openly through the mere voice of the press. This is what happened with the RND (National Democratic Rally) which has always expressed its views through its daily TAXAW. The same is true of the political trends that were to give rise to the MDP (Democratic and Popular Movement) and to the PIT (Independence and Labor Party) and which achieved recognition through ANDE SOPI.

The contents, arguments and practices of the Senegalese press are determined by this almost general affiliation to political factions. Offering some slight differences, AFRIQUE NOUVELLE, AFRIQUE TRIBUNE and LE SOLEIL are practically the only vehicles of information even though LE SOLEIL is openly progovernment. The other publications give the general tone of the press which is violent and thundering, at times even inordinately polemic. LE POLITICIEN--a satirical publication "appearing regularly though unexpectedly"--launches its attacks on all directions but, one must say, it offers the advantage of being generally well informed. L'UNITE leads the fight on behalf of the Socialist Party (in power) loudly assisted by CAAXAN FAAXEE, mouthpiece of the socialist youth. On the opposite side stand all the other publications attacking the government and, at the same time, vigorously denouncing one another; they are ANDE SOPI and TAXAW, of course, and also JAAY DOOLE BI (THE PROLETARIAN) which resorts to a verbal violence only matched by CAAXAN FAAXEE.

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This deliberate choice of verbal sparring actually reflects the temperament of the Senegalese people who love to speak and engage in polemics. But it has disastrous consequences for the newspapers and readers: The factions are so divided along the lines of the parties that only people who are already convinced read their respective papers.

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SIERRA LEONE

NATION SEEKS WAYS TO AVOID MAJOR ECONOMIC CRISIS

Paris MARCHES TROPICAUX ET MEDITERRANEENS in French 29 Jan 82 pp 241-246

[Article by Patrick Anelli]

[Text] Sierra Leone is an English-speaking country of moderate size located in the West African subregion and surrounded by Guinea and Liberia. Except for a brief period in 1967, before President Siaka Stevens came to power, it has so far experienced a political life free of military coups. The regime's progress through the stage of dominant party to that of a single party (the All People's Congress [APC]) in 1978 has not been able to stem cabinet crises revealing the tribal tensions and political opposition existing within the regime.

The events of last summer and the proclamation of a 6-month state of emergency* on 2 September have left observers puzzled as to the future of a country that has been compared with no hesitation to neighboring Liberia and the tragic fall of President Tolbert in April 1980.

Despite a serious recovery effort, Sierra Leone is in a tricky situation on the macro-economic level. The burden of external debt and the unsatisfactory results obtained from the productive apparatus make it a "disaster area" highly dependent on national and international silent partners for carrying out its investments.

The macroeconomic situation is in sharp contrast to the wealthy status of certain individuals, leading one to think that it is possible to make a fair profit and grow rich in Sierra Leone. While it is easy to identify the few enterprises showing satisfactory results, it is more difficult to estimate the extent of the underground economies that support the country at a different tempo.

Strong Presidency

The regime's hardening attitude, strengthened by the proclamation of the state of emergency, should not delude anyone: despite the movement toward an authoritarian presidential system since 1978, Sierra Leone's British-inspired political system remains based on parliamentary constitutional foundations.

* See MARCHES TROPICAUX ET MEDITERRANEENS, 4 September 1981, p 2279.

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Following a referendum in 1978, the APC became the only party recognized by the constitution, and in effect, the other political groups became illegal. Despite the concentration of power in the hands of the chief of state, who is head of the government, commander in chief of the armed forces, and chancellor of the university, as well as the very acute vassalization of the senior administration, the political system has not been able to eliminate all opposition, which exists even within the single party. The party includes groups with various leanings, among them the members of Parliament from the former SLPP (Sierra Leone People's Party), who joined the new majority in 1978.

The legal mechanisms governing succession in case of the president's absence present a number of political problems. In such cases, the incumbent vice president swears to uphold the constitution, and his exercise of the country's highest office gives him access to the highest responsibilities in the financial area (commitments regarding the state guarantee) and in the use of the armed forces and the police.

In other respects, the most important government decisions must be approved in advance by the cabinet ("cabinet conclusions") at a meeting presided over by the chief of state. Those decisions are confidential and secret and are not the subject of any statement or publication at the conclusion of the cabinet meeting. This concentration of economic and financial power clogs the cabinet's agenda and is the cause of a slowdown in administrative action. The phenomenon has worsened since 1980, the year in which the chief of state was chairman of the OAU and foreign problems occupied a preponderant place in the cabinet meetings.

Cabinet posts are distributed with scrupulous attention to the majority's various ethnic components. Since the dismissal of certain ministers in 1981, their portfolios (energy and power, interior, and development and economic planning) have devolved upon the president himself, the first vice president, and the minister of finance, thus reinforcing the concentration of power.

As he had previously announced on several occasions, President Stevens last October confirmed his intention to withdraw from public affairs following the legislative elections. It is difficult to foresee at present who the regime's new strong man will be, but it is certain that succession to the office of chief of state remains the main political problem of the moment.

In foreign policy, Sierra Leone has sought to strengthen economic ties with its neighboring countries. Establishment of the Mano River Union with Liberia in 1976 and its extension to include Guinea in 1981 reflect the objective of forming a union in politics and defense despite disagreements of a linguistic nature, even if a long period of mature deliberation is required before that economic union's achievements see the light of day.

The influence of President Stevens has made itself felt in all the countries of West Africa through the regional committees--the CEAO and ECOWAS. His international action was strengthened on the occasion of the 17th OAU Summit Meeting, which was held in Freetown in 1981 under his chairmanship.

Without laying down an obvious political line, the Sierra Leonean chief of state was confronted during his term of office [as chairman of the OAU] by the two thorniest

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problems facing the African continent: Chad and the Western Sahara. But he stuck to his role as conciliator even when the situation between the protagonists seemed most tense.

Economic and Financial Crisis, Recovery Measures

For several years, the growing deficit in the balance of payments and the inadequacy of national production have been leading the Sierra Leonean Government further and further into foreign debt (estimated at \$350 million in 1980). This has considerably increased the burden of debt service on public finance. Several debt rescheduling agreements were reached with the creditor states in 1980 under the terms of the Club of Paris multilateral agreement. These took the form of a moratorium deferring payments, with refunding interest exceeding 5 percent in all cases. Some observers have noted that those stabilization measures occurred before the 17th OAU Summit Meeting was held in Freetown and after new financial burdens had been assumed to cover investments necessary in preparation for that inter-African conference.

Upstream from those measures, and after the stabilization plan of September 1979, the IMF Board of Executive Directors approved a grant of 162 million SDR's that will permit execution of a development plan totaling 500 million leones (1 leone = about 4.8 French francs). Its priorities were decided on in agreement with the IMF, with preference going to projects in the sectors of agriculture and hydroelectricity. The release of the first tranche of 27 million leones in 1981 made it possible to reduce delays in making payments to foreign creditors. On the other hand, strict rules are forcing the Sierra Leonean Government to be extremely severe in its selection of new investments by not contracting loans for periods of more than 1 year or less than 12 years.

State of Economic Resources

The Sierra Leonean economy supports a sizable private sector alongside a public sector whose importance should increase as a result of the government's determination to give that sector a decisive role in national development. In addition to the financial institutions (the Central Bank, the Development Bank, and the Commercial Bank), the government has established state-owned enterprises in the most varied sectors: water distribution and treatment in the city (Gumma Valley), the production and distribution of electric power (Electricity Corporation), agricultural development (Sierra Leone Produce Marketing Board (SLPMB), Sierra Leone Agriculture Production Corporation (SLAPRO), and National Produce Corporation (NAPCO)), management of the autonomous port of Freetown (Sierra Leone Port Authority), and petroleum refining (Sierra Leone Oil Factory).

Alongside those state-owned companies, the government has steadily increased its capital holdings in mixed-economy companies involved in agricultural development, the mining sector (National Diamond Mining Company (DIMINCO)), and fishing (Sierra Fishing Company). The new investment code, now in preparation, should confirm that trend.

Sierra Leone therefore offers the advantage of being an economy of the liberal type, in which government intervention occurs to better insure achievement of objectives

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of a national character, but without developing a paralyzing structure for a developing country.

The relative value of the official statistical apparatus and the gradual abandonment, until just recently, of medium-term planning make it difficult to dig out economic data in Sierra Leone. This situation is explained by the existence, parallel with the legal economic channels, of an underground economy of sizable dimensions whose profits are earned from trade relations with bordering countries whose strong currencies have until now been a lure (Liberia).

Subsistence Farming and Ambitious Agricultural Programs

The primary sector accounts for 37 percent of the GDP and employs over 70 percent of the country's active population, while earnings from agricultural exports, despite a slight weakening, represent 30 percent of the total earnings.

The weak takeoff of agroindustry, the existence of subsistence farming, and the absence of self-sufficiency in basic agricultural products (onions, rice, and palm oil) are the dominant features of this sector, despite the government's repeated efforts to encourage agricultural production on an industrial scale or to implement a price policy more favorable to direct remuneration for the farmers.

Sierra Leone produces traditional foodstuffs, such as rice, manioc, and corn. More recently, the growing of tobacco, citrus fruit and other tropical products for domestic consumption has been introduced.

Coffee and cocoa account for almost all of the agroicultural exports and for 37 percent of the earnings from exports. Coffee production dropped by nearly 2,500 tons in 1980, while cocoa production rose by 3,000 tons. The development of ginger, cola nuts and palm oil products should enable the SLPMB to increase its exports.

Sierra Leonean Agricultural Production (in tons)

	1978-1979	1979-1980
Rice	620,000	650,000
Coffee	13,500	8,500
Cocoa	7,500	10,500
Corn	14,000	15,000
Manioc	82,000	80,000
Sweet potatoes	?	10,000

Source: FAO (indicative statistics)

According to the FAO, more than 300,000 farmers, working plots whose average size does not exceed 1.8 hectares, cultivate the arable land by the same methods as those used by their ancestors. This is the case with rice, which is grown on 61 percent of the cultivated land on the plateau by the burn-baiting method under a 3-year rotation system (bush fallows).

The development of modern techniques is hampered by the shortage of skilled manpower, which is offset slightly by the mechanization of agriculture, although mechanization

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is sometimes unsuited to socioeconomic factors and poorly adapted to the size of the farms.

Aware of those difficulties, the government has taken an overall approach to agricultural development by setting up integrated agricultural development programs in cooperation with multilateral organizations (the UNDP [UN Development Program], the FAO, and the World Bank) and bilateral organizations that are aimed at covering the entire territory.

Since 1975, the Ministry of Agriculture and Forestry has had a tool for scientific study and research with which to evaluate soil, water, and vegetation resources (the Land and Resources Survey Project). Its operations are intended to determine the real suitability of Sierra Leonean lands to the various tropical and subtropical crops. For that purpose, it uses the most modern techniques and has air coverage of the entire territory at its disposal. That "data bank" is working in cooperation with the integrated agricultural development projects and West Africa's specialized research institutes: the International Institute of Tropical Agriculture (IITA, of Nigeria), the IRHO [Institute for Research on Edible Oils and Oleaginous Products] of France, the West Africa Rice Development Association (WARDA), and the NUC [expansion unknown].

The SLPMB enjoys a near monopoly on the exportation of certain high-yield products and is also responsible for establishing the import program for certain food resources such as rice. Sierra Leone, which exported rice until 1971, now imports between 40,000 and 80,000 tons per year, or more than one-fourth of its total imports. The SLPMB is responsible for stabilizing producer prices and sales prices so as to guarantee the farmers of a real and bona fide profit. It has not completely succeeded, since the price of that foodstuff regularly doubles during the period between harvests.

In 1980, two subsidiaries were established to develop the production of coffee and cocoa (SLAPCO and NAPCO).

Under the Lome II accords, the EDF [European Development Fund] considers agriculture a priority sector. Particularly urgent intervention measures have been stressed, as follows:

Rice growing was the principal single crop in 1980 in the Koinadugu (EEC), Magbosi (FAO), and Moyamba programs, as well as in the Tormabum project carried out with Dutch assistance.

Market gardening has been introduced in the northern part of the country (Koinadugu). The distribution of market produce will be facilitated by ending that region's isolation and completing the road link between Makeni and Kabala.

To reduce dependence on the outside world for sugar, two projects are in view: in Magbas, a plantation and mill set up under state supervision with help from the PRC should insure the start of production, and a second project is under study in Pendembu South by the British consulting firm of Tate and Lyle. It seems to be aimed at the establishment of small production units, which are considered more profitable.

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A project headed by SLAPCO in Pendembu and financed by the World Bank should make it possible to quadruple coffee and cocoa production in the medium term.

The Ministry of Agriculture and Forestry is studying the conditions for a plan to rehabilitate and expand industrial oil palm plantations (PADI) jointly with the village cooperatives. Two projects have been identified to date:

1. The Daru plantation (about 2,670 hectares), established with the assistance of the IRHO in 1960, is currently experiencing serious technical and management difficulties despite financial assistance from the World Bank in 1972 for building an oil mill. The oil mill is currently operating at 30 percent of its total capacity because of inadequate plantings. New financial assistance could be granted as part of PADI's third phase for Eastern Province.

2. The Gambia Matru complex (Southern Province), which is larger, has the same origin. A modern oil mill was installed in 1977 by the French construction firm of SPEICHIM, but the lack of maintenance, combined with the shortage of palm clusters, has caused the mill's production to drop to less than 15 percent of its total capacity.

There are two private plantations, one in Mobai with 1,000 acres (400 hectares) that has a small-capacity oil mill and operates with the assistance of the FMO (an agency of the Dutch Government), and the other in Port Loko. The latter is a larger plantation belonging to Vice President Koroma. Both began operations a few years ago.

A feasibility study financed by the British Government has been concerned with the development of coconut growing on the Turner Peninsula. That ambitious project would require a sizable investment (about \$100 million).

The rubber plantation in Poturu (Southeastern Province) was established in 1964, but has never reached the stage of industrial operation. It was the object of a decision in principle by the board of directors of the Commonwealth Development Corporation (CDC) to grant a loan of 6 million leones (for 20 years at 8 percent) for partial financing of the project. The Sierra Leonean Government has approached the financial institutions connected with bilateral foreign aid, particularly the Central Fund for Economic Cooperation, whose assistance and participation it has requested.

The fishing sector employs over 20,000 small-scale fishermen alongside an industrial sector in full expansion. With a catch of about 110,000 tons, it contributes 1.5 percent of the GDP. The government's first agreement was concluded in 1976 with the Soviet Union. Running for 5 years and renewable for 3 years, that agreement establishes the conditions for cooperation between the two countries. A training school for fishermen and navigational personnel was opened in 1980 with technical assistance from the USSR. Under the terms of the agreement, the Soviet authorities are entitled to operate in Sierra Leone's territorial waters to exploit its fishing resources by means of trawlers whose number is established in the master agreement and for which the Sierra Leone Fishing Company holds the required licenses. The catch is then divided up, with 63 percent of the fish being marketed in the USSR and Europe by FRANSOV, a mixed-economy company owned by holders of French shares and the USSR's Ministry of Fish Industry.

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The Sierra Leone Fishing Company (linked financially to the U.S.-Liberian Mesurado group) is in the front rank of the industrial fishing sector. It sells frozen fish and deep-frozen prawns on foreign markets through its subsidiary SHRIMPEX (about 188 tons per year). Other fishing enterprises located in Freetown are involved in the industrial fishing of demersal and pelagic species, and the authorities have reportedly issued nearly 80 fishing licenses.

When the agreement with the Soviets expires, the government will probably seek to replace it with agreements with other partners, there being a tendency to withdraw from relations with the USSR in fishing matters. The chief of state has approached the European Community in Brussels concerning projects cherished by Sierra Leone in a sector which is destined to experience considerable development.

Expanding Mining Sector

The mining sector accounts for 10 percent of the GDP, but provides 54 percent of the country's export earnings, and the active population employed in this sector has increased steadily through the years. On the advice of the IMF, the government should soon begin working new diamond and bauxite deposits. Foreign participation in this sector remains preponderant (Austria, Switzerland, Great Britain, and the United States).

Diamonds are the oldest of the mining resources being exploited. In 1970, the government acquired a 51-percent interest in the company operating the country's two largest concessions--in Tongo and Yengema--while the private stockholders belong to the De Beers and Oppenheimer groups. Production is tending to decline and currently stands at around 600,000 carats per year. The gradual exhaustion of the alluvial deposits and the persistence of illegal exploitation may be a partial explanation for the fall in production. The outlook is moving the government, on the basis of the feasibility study carried out in 1979 by the Selection Trust, to contemplate the exploitation of several veins of kimberlite that have been identified and located since 1937 in Sierra Leone's subsoil.

Since 1963, a fully-owned subsidiary of ALUSUISSE known as SIEROMCO has been working the Mokanjy deposit under a lease and royalty agreement with the government. Recently, a new deposit was opened up in Gandama, not far from the original concession, following an investment of 50 million leones.

In addition, negotiations have been underway for 4 years to open up a sizable bauxite deposit (reserves of 150 million tons) at Port Loko. The deposit is low in alumina and silica and would require partial processing at the site. The size of the investment and the search for appropriate financing are the reasons for the delay in starting up the project, which would include installation of an alumina plant.

Sierra Leone is thought to possess one of the world's largest deposits of rutile (titanium ore). After a gap of 8 years caused by the bankruptcy of the Sherbro Mineral Company, the American consortium of Sierra Rutile, Limited is now exploiting the Bamanga deposit. Despite sizable capital investments (\$600 million), production results have come up to only one-fifth of the objectives (20,000 tons in 1979, the first year in which production was resumed).

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Since 1981 the Austrian company of Austro Minerals has been reopening the iron deposits in Pepel. Operations there had ceased in 1975 due to poor conditions in the world iron market.

Exploration for precious metals, particularly gold, has attracted many small-scale prospectors to Sierra Leone. Over the past two decades, the government has granted prospecting licenses to local companies partly owned by foreigners, but the results are difficult to determine because the prospectors are discreet. Several sites have been identified and located in the country's Southeastern Province (Bomahun), where concessions are held by the EUROCAN firm.

Sierra Leonean Mining Exports		
	1978-1979	1979-1980
Diamonds (carats)	797,042	855,104
Bauxite (tons)	804,647	583,262
Rutile (tons)	-	7,500
Iron (production halted in 1975 and resumed in March 1981)	-	-

Industry's Difficult Takeoff, Energy Problems

The industrial sector's productivity is low, contributing 10 percent to the GDP. Half of its production is provided by the average-sized enterprises, which employ 0.35 percent of the total active population and are concentrated (two-thirds of the total) in the Western Region.

The 1960 Development Act currently governs the establishment of new industries that can contribute to the nation's economic development. It provides those firms with appreciable tax advantages, which are granted to them on the advice of the Ministry of Trade and Industry and by a subsequent decision by the cabinet presided over by the chief of state. New industries in the agroindustrial sector enjoy comparable benefits under the Agro Based Industry Act.

Firms in the food group are represented by rice mills, an industrial flour mill (Seaboard West Africa), and, just recently, a sugar complex in Magbas that is operated by the PRC under state supervision (60,000 tons of sugar annually), as well as a cracker factory (NATCO) belonging to the Indian Choitrams group, an inadequate number of slaughterhouses in the northern part of the country, and three palm oil mills, including the Daru and Gambia Matru complexes, belonging to the government.

A brewery (Sierra Leone Brewery) established by the UAC group and Heineken supplies over 1 million cases of locally produced beer. Two factories for the production of nonalcoholic beverages and soda (Freetown Cold Storage--a Swiss group producing Coca Cola under license--and Sierra Leone Enterprises, which produces Pepsi Cola) supply an annual market for over 70,000 hectoliters of nonalcoholic beverages. Lastly, a state-owned distillery process liquor locally.

The footwear market is dominated by two local firms (Bata Shoes Sierra Leone and AFROPLAST), which supply a market for over 2 million pairs of cheap shoes (thongs and plastic shoes). The rest of the demand is met by other importers.

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A refinery (Sierra Leone Oil Factory), with a total capacity of 600,000 tons per year, processes between 190,000 and 260,000 tons of petroleum products (gasoline, kerosene and fuel oil) for the local market, and a gas plant bottles oxygen and acetylene, while a soap and detergent factory belonging to the Indian Chanral group supplies the local market for those products.

Three forest firms operate in the country's interior: the Panguma Saw Mill, belonging to a French operator; the government-owned Kenema Saw Mill; and the third, a mixed-economy company (SILETT), that exports logs.

In addition to the Sierra Fishing Company, several fishing companies exist locally. The most important are Marine Development, United Fishing Enterprises, and the Integrated Fish Mill Industry.

A clinker grinding plant is currently being set up. It will manufacture cement with the assistance and cooperation of the French Origny-Desvrose cement group. Several local construction firms share the work provided through national or international bidding (Mattar, the Sierra Leone Construction Corporation, and the International Construction Corporation).

There are also a shop producing mechanical tools (the National Workshop) and units for the manufacture of building materials, suitcases, chalk, and mattresses. Their importance and the market they serve are limited by strong competition from foreign imports.

The fact is that Sierra Leone's industrial sector suffers from three major disadvantages: excessive concentration of the industrial sector on the peninsula and in Freetown, the only exception being the forest firms and the oil mills, which are scattered; excessive dependence on imported goods, which whittles down the added value of locally produced goods; and the nonrational use of local raw materials.

Energy dependence is one of the key factors in this country's economic takeoff. The petroleum bill has quadrupled since 1973, totaling 50 million leones in 1980, or 16 percent of all imports.

To correct that situation's perverse effects on the balance of payments, a hydroelectric development plan has been established. It calls for execution of a regional program by the Mano River Union (the dam on the Mano River) and construction of the hydroelectric dam at Bambuna to supply the Western Region and Freetown with electricity. In addition to those two big projects, about 10 sites have been chosen by the Ministry of Energy and Power for the construction of small hydroelectric plants of less than 2 megawatts.

On the basis of results from preliminary studies, Sierra Leone has started offshore petroleum prospecting off Sherbro Island. The work is being done by Mobil Oil and a consortium of three companies (Occidental Petroleum, Danson Oil, and PANOXO). If exploitation of the deposit becomes possible, the result could be increased activity for the Freetown refinery, in which the government is a majority stockholder.

Transportation and the communications infrastructure have been improved considerably. Port facilities will be diversified, and the work done in preparation for hosting

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the 17th OAU Summit Meeting included modern infrastructure for Lungi International Airport and a doubling of runway capacity for takeoffs.

The land communications network has developed apace with overall development operations, which have resulted in the opening up of regions through feeder roads and repairs to the road systems from Makeni to Lunsar in the west, from Makeni to Kabala in the north, and from Freetown to Bo in the south.

In order to compress domestic demand and thus reduce the balance of payments deficit, all imported products are now subject to administrative authorization granted by the Ministry of Trade and Industry, which controls the quantity, kind, volume, and price of products. Applications covering 1 year must be submitted at the start of the calendar year. Certain products are exempt from those regulations but are covered by specific licenses: they are energy products and foodstuffs considered essential, as well as raw materials for local industry. According to official sources, however, the value of import licenses was reduced to 230 million leones in 1978-1979, to 190 million in 1979-1980, and to 175 million in 1980-1981.

Since the national currency is nonconvertible and nontransferable, debtors are compelled to make their payments through the local banking system based on the amount of foreign exchange held by the Central Bank, the institution which controls and authorizes transfer operations. As soon as payment in local currency has been entered on the commercial bank's books, the file is sent to the exchange controller, who verifies that the importation was legal and actually occurred and checks to see that the firm or individual entrepreneur has paid the tax (proven by the tax receipt). Payment is then subject to a delay of from 4 to 6 months, depending on how the national economy performs. The system is in general use in Sierra Leone, and the rare exceptions in which transfers are exempt from the authorization requirement are limited to small amounts (5,000 leones) or have now lapsed.

Delays in the "pipeline" are usually shorter during the second half of the calendar year, due to the receipt of foreign exchange from the sale of mining and agricultural production on international markets, but the shorter waiting period varies according to bank (the Bank of Commerce and Credit, Barclays Bank, the Commercial Bank, and the Standard Bank).

For several years the government has pursued a policy of controlling consumer prices. The official list is drawn up by the Ministry of Trade and Industry with cabinet approval. The rigidity of the controls encourages the appearance of the same products on parallel markets, where they are sold at higher prices, or their replacement by completely identical substitutes not covered by the imposed price.

By means of decrees or circulars from the Central Bank, the government adopted a series of measures during 1981 aimed at completing and strengthening legislation on the payment of taxes (the Income Tax Act of 1970). The delivery of imported goods, departure from the country, and even the renting of a hotel room or the purchase of an airline ticket by a Sierra Leonean resident or a foreigner are subject to presentation of a tax receipt.

According to the government, the "Vouchergate scandal," as it was named by the press and public opinion--it resulted in the arrest of three cabinet officials and more

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than 40 government employees--demonstrated that those measures, which were challenged on legal grounds, were aimed chiefly at exposing and repressing tax fraud.

On the whole, this country's economic development has progressed at a very slow pace over the past decade, since the GDP rose by less than 0.5 percent annually through 1981. Most of the nation's production comes from exploitation of the mining resources (chiefly diamonds, bauxite, and rutile) to the detriment of agriculture, which consists mainly of food crops, with a smaller volume of export crops, to which the government has devoted considerable effort and investments amounting to as much as 25 percent of the national budget. Domestic demand has risen to such an extent that for several years it has exceeded national production capacity. This situation has contributed to the deterioration of trade, reflected in a very sharp rise in imports, which are expensive in terms of foreign exchange for a country whose national currency is nonconvertible and nontransferable and on which the measures establishing import quotas and restricting licenses have so far had limited effect.

Heavy Dependence on Foreign Aid

The proportion of foreign aid in Sierra Leone's development has increased steadily through the years, and it is estimated that in 1980, over \$18 million were devoted to technical assistance, while nearly \$121.6 million were devoted to economic cooperation using foreign funds.

Multilateral aid remains sizable, especially in the form of technical assistance. The World Bank and the African Development Bank head the list. Aid from the socialist countries is declining markedly, except in the case of the PRC and certain people's democracies (Romania).

Total financial assistance for investment (capital investment) underscores the basic contribution made by the IMF and the EEC (EDF). In bilateral aid, Japan provided substantial aid for the acquisition of equipment in preparation for the 17th OAU Summit Meeting. Next in order of importance is aid from U.S. AID, followed by Great Britain, which in 1980 canceled a sizable debt.

France has sought to strengthen its cooperation ties with Sierra Leone in the area of economic, cultural, and technical cooperation. The CCCE (Central Fund for Economic Cooperation) is still the privileged instrument of French policy for cooperation between the two countries. It finances development projects through long-term loans at special interest rates. To date, three projects have been set up: financing for extension of the water treatment system in the city of Freetown, installation of a telephone transit exchange, and construction of a clinker grinding plant. The government has approached the EEC seeking financing for agricultural projects (rubber plantations in Potoru and oil palm plantations) and for a project covering fishing equipment for the Sierra Fishing Company.

The recent joint commissions on cultural and technical cooperation (1979 and 1981) made it possible to decide on the new objectives for future activities aimed at a better adaptation of scholarships to the country's needs. This will make it possible eventually to carry out a genuine transfer of technology to Sierra Leone and to insure a wider diffusion of the French language through the media.

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Structure of Trade and French-Sierra Leonean Economic Relations

The foreign trade structure is characterized by steadily rising imports of consumer goods--chiefly energy products--at a rate exceeding the rise in exports, which are dominated by mining and agricultural products.

Sierra Leonean Foreign Trade (in millions of leones)					
	1976	1977	1978	1979	1 Jul 79-30 Jun 80
FOB imports	163.1	185.1	259.1	288.4	308.0
FOB exports	126.7	163.6	193.8	234.5	229.9
Deficit	36.4	21.5	65.3	53.9	78.1

Main Imports (in millions of leones)					
	1976	1977	1978	1979	
Total	163.1	185.1	259.1	288.4	
of which:					
Food products	31.0	35.8	48.4	40.0	
Tobacco and beverages	7.6	9.3	9.7	5.8	
Petroleum products	12.4	29.2	35.0	50.0	
Automobiles and transportation	33.2	38.0	70.0	80.0	
Capital goods	51.5	51.0	72.4	73.2	
Miscellaneous manufactures	16.3	19.3	23.2	22.6	

Sierra Leonean Exports (in millions of leones)					
	1976	1977	1978	1979	
Total	126.7	163.6	193.8	234.5	
of which:					
Diamonds	73.8	64.9	117.8	131.3	
Bauxite	4.5	7.9	7.6	8.4	
Rutile	-	-	-	0.9	
Total mining products	78.3	72.8	125.4	140.6	
Percentage	61.7%	44.4%	64.7%	59.9%	
Coffee	7.2	50.5	19.1	37.8	
Cocoa	7.7	18.9	22.8	31.8	
Other agricultural products	9.9	8.9	10.9	15.2	
Total agricultural products	24.8	78.3	52.8	84.8	
Percentage	19.5%	47.8%	27.2%	36.1%	

Great Britain was Sierra Leone's chief supplier from the time the latter became independent until 1977, when Nigeria took Great Britain's place due to the rise in value of hydrocarbon imports, of which Nigeria is the main supplier. Great Britain's trading position is also strengthened locally by the dynamism of Lebanese businessmen, who traditionally turn to that country for their imports. The United States is in third place, ahead of Japan (automobiles), the FRG and France. Until recently, products imported from France consisted mainly of automobiles and tractors (61.8 per cent), with the remainder consisting of sugar and flour products.

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The products exported by Sierra Leone go chiefly to its English-speaking partners. This is explained by Great Britain's participation in the operation of diamond mines. The rise in exports to the United States is explained above all by the latter's participation in the mining of rutile, with most of the production going to that country.

The tables below do not include the balance of invisibles resulting from the main barter agreements in effect with certain countries, including China and the USSR. The latter benefits from a special agreement covering exports of sea products.

Sierra Leone's Chief Suppliers and Customers
(as a percentage of the values)

Chief suppliers	1973	1974	1975	1976	1977
United Kingdom	22.2	21.3	25.1	19.5	17.6
Nigeria	3.6	8.0	7.1	12.6	23.8
United States	8.9	9.0	7.2	8.1	8.7
Japan	9.4	9.6	6.2	7.6	6.8
France	7.9	5.2	4.6	6.9	4.7
FRG	8.0	6.7	7.5	7.5	5.8
Chief customers					
United Kingdom	67.4	61.3	56.1	60.0	49.2
Netherlands	6.1	14.9	16.8	11.9	19.4
United States	5.7	5.6	7.6	7.4	19.4
FRG	4.9	4.0	2.3	2.3	0.7

Source: Sierra Leone Statistics

Trade Between France and Sierra Leone
(in millions of French francs)

	1977	1978	1979	1980
French exports to Sierra Leone	49.4	60.8	80.3	96.1
Imports from Sierra Leone	11.5	9.1	15.7	19.4
Rate of cover for France	429.5	669.2	511.2	495.4

Source: French statistics

Trade Between France and Sierra Leone
Chief imports and exports
(in millions of French francs)

(In millions of French francs)					
Chief French imports			Chief French exports		
	1979	1980		1979	1980
Coffee	8.98	3.67	Cars and tractors	22.24	5.42
Beverages, shellfish	2.54	2.96	Sugar, confectionery	19.30	23.60
Wood and byproducts	2.23	6.04	Flour products	8.10	7.50
Metallic ores	-	3.03			

Sierra Leone's particularly difficult financial situation has forced foreign creditors to freeze their policy of granting guaranteed medium-term commercial credit owing to the particularly high rate of losses, and the position of the credit insurers is reportedly unanimous today, following the agreements rescheduling the public debt.

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The growth of French exports to Sierra Leone has been accompanied by the recent establishment of French firms in various sectors of the economy: Fougereolle, Origny-Desvrouse Cement, UMACO, the UTA [Air Transportation Union], and the UTH [Tourism and Hotel Industry Union] have joined the long-established French firms (the CFAO [French Company of West Africa] and the SCOA [West African Trading Company]).

The government's economic recovery efforts make it possible to see the importance of national or regional (Mano River Union) projects affecting this West African subregion, since they will give rise to orders for equipment or infrastructure.

In the relatively near future, Sierra Leone intends to:

1. Begin exploiting new mining deposits (diamonds and bauxite) and replace some old equipment.
2. Start new agroindustrial projects (oil palm, coconuts and rubber).
3. Develop the industrial and small-scale fishing sector and aquiculture.
4. Build up an energy potential that can satisfy its industrial development requirements (hydroelectric dams and small power plants).
5. Undertake the repair and extension of the road infrastructure (the Kabala-Kamabai road) and a section of the Pan-African highway between Monrovia, Freetown, and Conakry.
6. Study the plan for establishing a national airline company to serve the regional or even international market.
7. Encourage the establishment of local firms capable of replacing imports with their own production.

More generally, attention should be drawn to the steady flow of government calls for tenders covering the purchase of consumer goods and capital goods for major government departments.

There is no doubt that Sierra Leone can hope to base its development on the indisputable advantages of its tourist attractions. The beauty of its places of interest and the picturesque quality of the peninsula and the provinces, which offer striking contrasts, provide the some 200,000 tourists who visit this country annually with the charms of authentic Africa. The peninsula has hospitable hotel infrastructures offering a total of nearly 1,500 rooms and several recent hotels of international class, among them the Cape Sierra, the Bintumani, and the Mammy Yoko Hotel, which is managed by the French UTH (a subsidiary of the UTA). To compensate for the lack of accommodations in the country's interior, the construction of three 50-room hotels has been scheduled.

However, the poor condition of the road linking Freetown with the peninsula's paradise-like beaches has hindered the development of tourist hotels in that area despite the optimistic prospects contained in the feasibility study commissioned from the Yugoslav ENERGOPROJEKT enterprise.

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There are still some uncertainties today in the economic and financial policy. The general elections in April 1982 could delay implementation of certain projects which represent a sure hope in a difficult situation. The endemic situation in economic life does offer some striking contradictions. The national currency, for example, despite being nonconvertible and nontransferable, has stabilized on the parallel market over the past few months at not more than 30 percent below par, and social peace has not really deteriorated since the autumn of 1981.

Despite the size of the noncash sector and the existence of underground economies, Sierra Leone might experience a slowdown in economic life, since the increase in its growth rate was inflated somewhat by substantial investments in connection with the OAU. If so, this would render hypothetical the prospects for a recovery whose main card remains the stability of the domestic political situation.

However, it remains to be seen whether Sierra Leone in coming years will experience a more critical economic situation made worse by a political crisis or whether, on the contrary, it will experience the era of prosperity and stability hinted at so far by the members of the single party. Public opinion in Freetown is beginning to wonder whether the wisdom of President Stevens, respectfully nicknamed "The Old Man," will once again be sufficient to prevent crisis.

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